

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4231-03
BILL NO.: HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
SUBJECT: Various Specialty License Plates
TYPE: Original
DATE: March 6, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	\$35,735	\$312,661	\$311,428
Total Estimated Net Effect on <u>All</u> State Funds	\$35,735*	\$312,661*	\$311,428*

* Does not include any additional unknown costs or income as a result of an anticipated increase in the number of applications for specialty license plates.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$113,570*	\$120,601*	\$120,601*

* Does not include unknown additional revenue from fees of additional specialty license plates.

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 13 pages.

L.R. NO. 4231-03
BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
PAGE 2 OF 13
March 6, 2000

FISCAL ANALYSIS

ASSUMPTION

The **Department of Revenue (DOR)** assumes this proposal would create twenty-one new license plate types to be known as Bronze Star/Valor Bronze Star, Combat Medic, Gulf War Veteran, Wilson Creek National Battlefield, Distinguished Flying Cross, Coroner's, 4-H, Botanical Gardens, Humane Society, St. Louis Zoo, St. Louis College Pharmacy, Boy Scouts, Elks, Shriners, K.C. Zoo, Springfield Zoo, Civil Air Patrol, D.A.R.E., American Legion, Girl Scouts and MO-AG. This proposal also allows additional sets to be issued with already existing speciality plates and creates new categories in already existing speciality plates by increasing the weight limit to 18,000 pounds.

The DOR will require the services of two (2) Clerk Typist II's to process additional plate applications. The Clerk Typist II's responsibilities will include, editing, correspondence, validation, key entry, telephone and customer walk-in assistance.

In addition, the DOR will incur expenses in the amount of \$140,978 for policy and procedure changes, forms and postage, and \$112,977 for plates and tabs for FY01.

The Motor Vehicle Bureau could not obtain statistics for the number of Combat Medic, D.A.R.E., or MO-AG plates that would be applied for; therefore, this impact is **UNKNOWN**.

LICENSE PLATE ADVISORY COMMITTEE PROVISIONS

Since this proposal no longer requires legislative approval for specialized plates, it is believed that there will be a tremendous increase in the specialized plate applications. Also, the provisions of this proposal require the advisory committee to hold at least three public meetings in different areas of the state to invite public input. The members of the committee are to be reimbursed for their actual and necessary expenses. Therefore, DOR will incur travel, lodging and meal expenses. DOR is unable to predict the extent or amount of applications for new specialized license plate types that will be received, therefore, an **UNKNOWN** fiscal estimate for FTE needs and associated equipment and expenses is being reported for this portion of the proposal.

This proposal also requires the re-issuance of approximately 424 Combat Infantryman plates because the color red is deleted from the language and 1,216 because "Amateur Radio" to be shown on the plate in place of Show-M State. This would cost DOR approximately \$3.30 per set of plates re-issued. $1,640 \times \$3.30 = \$5,412$ for FY01

ASSUMPTION (continued)

PMM:LR:OD:005 (9-94)

L.R. NO. 4231-03
BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
PAGE 3 OF 13
March 6, 2000

DECREASE IN REVENUE

This proposal removes the \$15 additional fee for the “personalization” of military plates, “personalization” of fire department plates and retired military plates (stock & personalized). The Motor Vehicle Bureau (MVB) has issued 834 “personalized” military plates, 336 “personalized” fire department plates, 38 stock retired military and 46 “personalized” retired military. Eliminating the additional \$15 “personalization” fee will result in the following revenue impact ($834 + 336 + 38 + 46 = 1,254 \times \$15 = \$18,810 / 12 \text{ months} = \$1,568 \times 10 \text{ months} = \$15,680$)

This proposal also eliminates the additional \$15 fee for retired military speciality plates.

$$46 \times \$15 = \$690 / 12 = \$58 \times 10 = \$580$$

FY01

$\$16,260 \times 75\% = (\$12,195)$ Highway Fund
 $\$16,260 \times 15\% = (\$2,439)$ Cities
 $\$16,260 \times 10\% = (\$1,626)$ CART

FY02 & 03

$\$19,500 \times 75\% = (\$14,625)$ Highway Fund
 $\$19,500 \times 15\% = (\$2,925)$ Cities
 $\$19,500 \times 10\% = (\$1,950)$ CART

INCREASE IN REVENUE

The provisions of this proposal will result in a \$15 fee for 118 sets of Prisoner of War license plates, and 362 Special Military license plates per year. This proposal also allows additional categories of motor vehicles to obtain special plates. The Motor Vehicle Bureau assumed there would be approximately 2,884 additional applications for special plates because of the change in weight limits. An additional \$15 fee will be required for all these types of plates per year.

The option for biennial motor vehicle registration begins July 1, 2000. Therefore, the following projections are based on the estimated number of individuals that will choose biennial per year. The Department anticipates that approximately 25% of the individuals offered biennial registration will choose it. (Even numbered vehicles will be offered in even number years and odd numbered vehicles will be offered in odd number years.)

ASSUMPTION (continued)

L.R. NO. 4231-03
BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
PAGE 4 OF 13
March 6, 2000

FY01

\$47,325 x 75% = \$35,494 Highway Fund
\$47,325 x 15% = \$ 7,099 Cities
\$47,325 x 10% = \$ 4,733 CART

FY02 & 03

\$50,490 x 75% = \$37,868 Highway Fund
\$50,490 x 15% = \$7,574 Cities
\$50,490 x 10% = \$ 5,049 CART

GULF WAR

The provisions of this proposal require a \$15 fee to be charged for the Desert Storm/Desert Shield license plate. It is assumed of the 28,800 veterans residing in the state of Missouri, 5% will apply for this specialty plate. Therefore, the revenue impact to the Highway Fund, Cities and County Aid Road Trust Fund (CART) is as follows:

28,800 X 5% = **1,440** Gulf War license plate applications

BRONZE STAR/VALOR

The provisions of this proposal authorize a specialized Bronze Star license plate. Each applicant must pay an additional \$15 fee for the plate. DOR assumes the number of individuals applying for Bronze Star license plates will be the same as those individuals who have received the Purple Heart Medal and applied for the Purple Heart license plates.

2,000 Bronze Star/Valor license plate applications

WILSON CREEK BATTLEFIELD

The provisions of this proposal require a \$15 fee to be charged for the Wilson Creek Battlefield license plate. It is assumed of the 400 members eligible, 10% will apply for this specialty plate. Therefore, the revenue impact to the Highway Fund, Cities and County Aid Road Trust Fund (CART) is as follows:

400 X 10% = **40** Wilson Creek Battlefield license plate applications

ASSUMPTION (continued)

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 5 OF 13

March 6, 2000

COMBAT MEDIC

There will also be an increase due to the additional applications for Combat Medic license plates; however, because the statistics could not be obtained on the number of Combat Medic license plates that would be applied for the increase in revenue is **UNKNOWN**.

DISTINGUISHED FLYING CROSS

Due to the projected minimal number of applications for Distinguished Flying Cross license plates, there will be no measurable revenue increase to the Highway Fund, Cities and County Aid Road Trust Fund (CART).

SQUARE AND ROUND DANCE CLUBS

Officials with the Missouri Federation of Square and Round Dance Clubs estimate their membership is approximately 12,000. It is assumed 7% of this membership will apply for the special plate. The provisions of this proposal require the payment of an additional \$15 fee for this special plate. Therefore, the revenue impact to the Highway Fund, Cities and County Aid Road Trust Fund (CART) is follows:

$12,000 \times 7\% = 840$ Square and Round Dance Club license plate applications

MO. BOTANICAL GARDEN

According to the Missouri Botanical Gardens Development Office, they have approximately 33,000 members. We assume 5% of these members will make the \$35 contribution and apply for a Botanical Garden Plate.

$33,000 \times 5\% = 1,650$ additional license plates

HUMANE SOCIETY

According to the Heart of Missouri Humane Society they have approximately 33,000 members. We assume 5% of these members will make the \$35 contribution and apply for a Humane Society license plate.

$33,000 \times 5\% = 1,650$ additional license plates

ST. LOUIS ZOO

According to the St. Louis Zoo they have approximately 26,000 members. We assume 5% of these members will make the annual contribution and apply for a St. Louis Zoo license plate.

$26,000 \times 5\% = 1,300$ additional license plates

ASSUMPTION (continued)

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 6 OF 13

March 6, 2000

KANSAS CITY ZOO

According to the Kansas City Zoo they have approximately 25,000 members. We assume 5% of these members will make the annual contribution and apply for Kansas City Zoo license plates.

$25,000 \times 5\% = \mathbf{1,250 \text{ additional license plates}}$

SPRINGFIELD ZOO

According to the Springfield Zoo they have approximately 5,000 members. We assume 5% of these members will make the annual contribution and apply for Springfield Zoo license plates.

$5,000 \times 5\% = \mathbf{250 \text{ additional license plates}}$

ST. LOUIS COLLEGE PHARMACY

The St. Louis College Pharmacy has approximately 1,130 members in Missouri. We assume 5% of these members will make the annual contribution and apply for St. Louis College Pharmacy license plates.

$1,130 \times 5\% = \mathbf{57 \text{ additional license plates}}$

BOY SCOUTS

The National Boy Scouts of America has approximately 148,433 members in Missouri. We assume 5% of these members will make the annual contribution and apply for Boy Scout license plates.

$148,433 \times 5\% = \mathbf{7,422 \text{ additional license plates}}$

ELKS LODGE

The Elks Lodge indicates they have approximately 27,634 members. We assume 5% of these members will make the annual contribution and apply for Elks Lodge license plates.

$27,634 \times 5\% = \mathbf{1,382 \text{ additional license plates}}$

SHRINERS

The Shriners Headquarters indicates they have 19,791 members in Missouri. We assume 5% of these members will make the annual contribution and apply for Shriners license plates.

$19,791 \times 5\% = \mathbf{989 \text{ additional license plates}}$

CIVIL AIR PATROL

The Missouri Wing of the Civil Air Patrol indicates there are approximately 900 members in Missouri. We assume 5% of these members will make the annual contribution and apply for Civil Air Patrol license plates.

$900 \times 5\% = \mathbf{45 \text{ additional license plates}}$

ASSUMPTION (continued)

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 7 OF 13

March 6, 2000

D.A.R.E.

There will also be an increase due to the additional applications for D.A.R.E. license plates; however, because the statistics could not be obtained on the number of D.A.R.E. license plates that would be applied for the increase in revenue is **UNKNOWN**.

AMERICAN LEGION

The American Legion indicates they have approximately 65,000 members in Missouri. We assume 5% of these members will make the annual contribution and apply for American Legion license plates.

$65,000 \times 5\% = \mathbf{3,250 \text{ additional license plates}}$

GIRL SCOUT

The National Girl Scouts of America has approximately 124,606 members in Missouri. We assume 5% of these members will make the annual contribution and apply for Girl Scout license plates

$124,606 \times 5\% = \mathbf{6,230 \text{ additional license plates}}$

CORONER

The sponsor of this bill indicated that there would be approximately 190 applications for a Coroner license plate. The original fiscal note only indicated 100 applications; however, since that fiscal note the sponsor updated his estimate to be 190.

100 additional license plates

4-H

The department of revenue can not determine the number of 4-H license plates that will be applied for; however, for purposes of this fiscal analysis we are assuming 100 applications.

100 additional license plates

MO-AG

The department of revenue can not determine the number of MO-AG license plates that will be applied for; however, for purposes of this fiscal analysis we are assuming 100 applications.

100 additional license plates

ASSUMPTION (continued)

L.R. NO. 4231-03
BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
PAGE 8 OF 13
March 6, 2000

STOCK PLATES

This proposal provides for the special collegiate/organizational plates to be available as both personalized and stock; however, the Motor Vehicle Bureau anticipates this to be minimal impact and can be implemented with existing resources.

TOTAL NUMBER OF ADDITIONAL LICENSE PLATES = 30,095

The option for biennial motor vehicle registration begins July 1, 2000. Therefore, the following projections are based on the estimated number of individuals that will choose biennial per year. The Department anticipates that approximately 25% of the individuals offered biennial registration will choose it. (Even numbered vehicles will be offered in even number years and odd numbered vehicles will be offered in odd number years.)

FY01

\$423,213 x 75% = \$317,410 Highway Fund
\$423,213 x 15% = \$ 63,482 Cities
\$423,213 x 10% = \$ 42,321 CART

FY02 and 03

\$451,410 x 75% = \$338,558 Highway Fund
\$451,410 x 15% = \$ 67,712 Cities
\$451,410 x 10% = \$ 45,141 CART

ADVISORY COMMITTEE - ADDITIONAL SPECIALITY PLATES

There will also be an UNKNOWN increase due to the anticipated additional specialty plate applications that will be approved by the License Plate Advisory Committee and the additional increase due to the additional Combat Medic plates.

NET REVENUE IMPACT

FY01

\$340,709+ Highway Fund
\$68,142+ Cities
\$45,428+ CART

ASSUMPTION (continued)

FY02 & 03

PMM:LR:OD:005 (9-94)

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 9 OF 13

March 6, 2000

\$361,801+ Highway Fund

\$72,361+ Cities

\$48,240+ CART

Oversight assumes there would be unknown costs as a result of the increase in specialty license plates. Oversight also assumes there would likely be an increase in revenue since most specialty license plates usually require an additional fee. Oversight assumes the costs would be offset by the additional revenue. **Oversight** also assumes there would be increased income to the cities and counties as a result of the anticipated increase in the number of specialty license plates.

The **Department of Transportation (MoDOT)** concurs with the Department of Revenue's response to this proposal.

Officials from the **Secretary of State (SOS)** assumes the rules, regulations and forms issued by the DOR could require as many as twelve pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. Therefore, the total anticipated cost is \$1,325.50 in FY01. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While the bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of other bills that require rulemaking may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 10 OF 13

March 6, 2000

FISCAL IMPACT - State Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

HIGHWAY FUND

Income - DOR

Specialty License Plate fee	\$352,904	\$376,426	\$376,426
Additional Specialty license plate fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
Total <u>Income</u> - DOR	\$352,904	\$376,426	\$376,426

Cost - DOR

Personal Service - Clerk Typist II (2)	(\$29,260)	(\$36,890)	(\$37,812)
Fringe Benefits	(8,997)	(11,344)	(11,627)
Expense and Equipment	(7,350)	(906)	(934)
Forms and policies - printing and postage	(112,977)	\$0	\$0
Plates and tabs	(140,978)	\$0	\$0
Re-issuance of Combat Infantryman plates	(1,399)	\$0	\$0
Replace Amateur Radio license plates	<u>(4,013)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - DOR	(\$304,974)	(\$49,140)	(\$50,373)

Loss - DOR

Elimination of "personalization" fee for military plates, fire department plates, etc.	(\$12,195)	(\$14,625)	(\$14,625)
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ESTIMATED NET EFFECT ON

HIGHWAY FUND*

<u>\$35,735</u>	<u>\$312,661</u>	<u>\$311,428</u>
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* Does not include any additional unknown costs or income as a result of an anticipated increase in the number of applications for specialty license plates.

L.R. NO. 4231-03
 BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251, 1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
 PAGE 11 OF 13
 March 6, 2000

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
CITIES and COUNTIES			
<u>Income</u> - Additional Fees			
Cities	\$70,581	\$75,286	\$75,286
County Aid Road Trust Fund	<u>47,054</u>	<u>50,190</u>	<u>50,190</u>
	\$117,635	\$125,476	\$125,476
<u>Loss</u> - Reduction in Fees			
Cities	(\$2,439)	(\$2,925)	(\$2,925)
County Aid Road Trust Fund	<u>(1,626)</u>	<u>(1,950)</u>	<u>(1,950)</u>
	(\$4,065)	(\$4,875)	(\$4,875)
ESTIMATED NET EFFECT ON CITIES and COUNTIES*	<u>\$113,570</u>	<u>\$120,601</u>	<u>\$120,601</u>

* Does not include additional revenue to the Cities and the County Air Road Trust Fund due to any fees from additional specialty license plates.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows all military and certain specialty plates to be obtained for commercial motor vehicles other than apportioned commercial motor vehicles licensed for a gross weight not in excess of 18,000 pounds (certain pickup trucks) as well as noncommercial vehicles. Military plates will not be subject to the fee charged for personalized plates. All military plates, except the Congressional Medal of Honor, Retired Military, and the Prisoner of War plates, will cost \$15 in addition to the regular registration fee. There will no longer be a limit on the number of military plates a person may obtain as long as each set is issued for vehicles owned solely or jointly by the person.

This proposal allows special license plates with the designation "COMBAT INFANTRYMAN" to be obtained and used on non-local property-carrying commercial motor vehicles licensed for a gross weight not in excess of 18,000 pounds, excluding apportioned vehicles. Currently, this plate is allowed on such vehicles not in excess of 12,000 pounds.

L.R. NO. 4231-03
BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944
PAGE 12 OF 13
March 6, 2000

DESCRIPTION (continued)

This proposal requires that on Amateur Radio Operators license plates the words "AMATEUR RADIO" will be in place of the words "SHOW-ME-STATE."

The Vietnam Veteran and the Korean War license plates may be obtained for a non-local property-carrying commercial motor vehicles licensed for a gross weight of 6,001 to 18,000 pounds. Currently, the plate is restricted to such vehicles with a gross weight of 9,001 to 12,000 pounds.

The following new plates are made available: "Bronze Star," "Combat Medic," "Gulf War Veteran," "Distinguished Flying Cross", "Square and Round Dance Clubs", "Wilson Creek National Battlefield", "Missouri Botanical Garden", "Missouri Humane Society", "St. Louis Zoo", "Kansas City Zoo", "Springfield Zoo", "Shriners", "Coroners and Medical Examiners", "Missouri 4-H", "St. Louis College of Pharmacy", "Boy Scouts of America", "Elks Lodge", "DARE", "Civil Air Patrol", "American Legion", "Girl Scouts of America" and "MO-AG Businesses". To obtain these plates, one must pay the applicable contribution to the sponsoring organization for an emblem-use authorization statement and submit the statement to the Department of Revenue at the time of registration.

An advisory committee for the Department of Revenue is established for the purpose of developing guidelines for the issuance of motor vehicle specialized license plates. This committee must direct the Director of Revenue to implement its guidelines for all specialized license plates not later than July 1, 2001.

The Department of Revenue is allowed to issue 30-day temporary permits to applicants for personalized plates. Currently, regular plates are issued until the stamped personalized plate is available.

Penalties are provided for any person who makes a false statement or declaration to the Director of Revenue.

The proposal also contains language that will simplify Department of Revenue procedures, including allowing statements where affidavits are now required and clarifying the procedure for use of license plate issued in the year the vehicle was manufactured.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

PMM:LR:OD:005 (9-94)

L.R. NO. 4231-03

BILL NO. HCS for HB 1767, 1078, 1093, 1147, 1170, 1180, 1193, 1194, 1210, 1219, 1251,
1315, 1399, 1432, 1480, 1513, 1515, 1715, 1783 & 1944

PAGE 13 OF 13

March 6, 2000

Department of Revenue
Department of Transportation
Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
March 6, 2000